

ASSEMBLY BILL

No. 2579

Introduced by Assembly Member Evans

February 19, 2010

An act to add Title 18.2 (commencing with Section 99090) to the Government Code, relating to infrastructure financing and development.

LEGISLATIVE COUNSEL'S DIGEST

AB 2579, as introduced, Evans. Master Plan for Infrastructure Financing and Development Commission.

The California Constitution regulates the issuance of debt by the state and requires that debt in excess of \$300,000 for which the state will be generally obligated be submitted to, and approved by, the voters.

This bill would create the Master Plan for Infrastructure Financing and Development Commission, the mission of which would be to develop and recommend a plan to be presented to the Governor and Legislature that provides for building and maintaining the infrastructure necessary to meet the needs of Californians from the present to the year 2050, and to establish a process for periodically adjusting and adapting the plan in coming years to meet changing circumstances. The bill would require that the commission consist of 11 members: the Treasurer or his or her designee, and members appointed by the Governor, the Speaker of the Assembly, and the Senate Committee on Rules. The bill would authorize the Governor to appoint the chair of the commission who would work full-time on commission business for an unspecified salary. The bill would authorize the chair, with the concurrence of the commission, to appoint an executive director, who would be exempt from civil service and be paid an unspecified salary. The bill would require that funding for the operating costs of the commission be

available upon appropriation by the Legislature. The bill would require the chair of the commission to appoint the members of specified task force committees, to be composed of both members and nonmembers of the commission, and would require commission members to chair at least one task force committee in which they have expertise. The bill would provide that the subject matter responsibilities of these task force committees include, but not be limited to, planning and financing, transportation, housing, natural resources and conservation, and education. The commission would be required to establish a timeline for submission of periodic reports on their findings to the Governor and Legislature, provide opportunity for public comment and participation, and to incorporate the “Governor’s Five Year Infrastructure Plan” and the “State Environmental Goals and Policy Report” into its long-term planning recommendations. The bill would require the commission to submit its final report to the Governor and Legislature no later than December 1, 2012, and to be dissolved 30 days after issuance of the final report.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Title 18.2 (commencing with Section 99090) is added to the Government Code, to read:

TITLE 18.2. MASTER PLAN FOR INFRASTRUCTURE
FINANCING AND DEVELOPMENT COMMISSION

CHAPTER 1. GENERAL PROVISIONS

99090. The Legislature finds and declares all of the following:

(a) By 2050, an estimated 60 million people will call California home, twice as many people as lived here in 2003, while our current infrastructure of schools, universities, roads, housing, and water delivery was built to serve 25 million residents.

(b) The Governor’s Strategic Growth Plan estimates that the state has approximately \$500 billion in infrastructure needs over the next 20 years. While the state needs \$500 billion of infrastructure investment, experts conclude that public funds, including state and local dollars, can only finance up to of \$300

1 billion in projects, leaving approximately \$200 billion in unfunded
2 infrastructure needs.

3 (c) California cannot solely rely on general obligation or lease
4 revenue bonds to pay for infrastructure, and must examine ways
5 to close the infrastructure financing gap through other types of
6 innovative financing available.

7 (d) Our state lacks a systematic process of analyzing and
8 prioritizing the myriad of infrastructure needs. While it is arguable
9 that long-term plans are in place for transportation, and perhaps
10 water, no single plan is in place that takes into account all of
11 California's needs. For this reason, it is necessary to create a master
12 plan to assess infrastructure needs and establish priorities to guide
13 policymakers in making future decisions that relate to infrastructure
14 projects.

15 (e) It is the mission of the Master Plan for Infrastructure
16 Financing and Development Commission to develop and
17 recommend a plan to be presented to the Governor and Legislature
18 that provides for building and maintaining the infrastructure
19 necessary to meet the needs of Californians from the present to
20 the year 2050, and to establish a process for periodically adjusting
21 and adapting the plan in coming years to meet changing
22 circumstances.

23 99091. It is the intent of the Legislature that the Master Plan
24 for Infrastructure Financing and Development Commission provide
25 long-term guidelines for our state's infrastructure needs and a
26 prioritized plan that meets those needs by doing all of the
27 following:

28 (a) Project population, social, and economic trends through
29 2050.

30 (b) Utilizing the projections established pursuant to subdivision
31 (a), assess the state's capital needs for transportation, education,
32 housing, and water through 2050, including the need for private
33 capital to augment or complement public financing.

34 (c) Assess the availability of private and public funds to support
35 jointly sponsored projects throughout the period from the present
36 to 2050.

37 (d) Assess the status and fiscal value of dedicating future
38 revenues to specific infrastructure construction and maintenance,
39 including transportation and schools.

(e) Recommend a financing plan for the capital needs through 2050, with a priority plan for each five-year interval, including evaluation and recommendations of various financing methods that are feasible and may be of benefit to state and local government.

99092. For purposes of this title, “commission” means the Master Plan for Infrastructure Financing and Development Commission.

CHAPTER 2. COMMISSION STRUCTURE AND STAFF

Article 1. Commission Structure

99095. The commission shall consist of 11 members, to be selected as follows:

(a) The Treasurer or his or her designee who has a public finance background.

(b) Four members appointed by the Governor:

(1) One private sector representative from organized labor.

(2) One private sector representative from a statewide organization representing California businesses.

(3) One member representing the public.

(4) One member of the administration who is a director of a state agency or department.

(c) Three members appointed by the Speaker of the Assembly who have the following qualifications:

(1) One member with expertise in transportation.

(2) One member with expertise in natural resources and conservation.

(3) One member with expertise and experience in the financing of large public works projects.

(d) Three members appointed by the Senate Committee on Rules who have the following qualifications:

(1) One member with expertise in education infrastructure planning.

(2) One member with experience in housing, urban planning, or financing.

(3) One member who is an economist with demonstrated accomplishment in understanding and interpreting the California economy.

1 99096. (a) The Governor shall appoint the chair of the
2 commission. The chair of the commission shall devote his or her
3 full-time attention to the responsibilities of the position during the
4 term of the commission's existence. Salary for the chair shall be
5 ____.

6 (b) The Treasurer or his or her designee shall be the vice chair
7 of the commission.

8 99097. (a) The commission may adopt bylaws for the
9 regulation of its affairs and the conduct of its business.

10 (b) The commission shall meet on the call of the chairperson
11 or at the request of a majority of the members. A majority of all
12 members of the commission constitutes a quorum for the
13 transaction of business. All members shall have a vote.

14 (c) The commission is subject to the provisions of the
15 Bagley-Keene Open Meeting Act (Article 9 (commencing with
16 Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2) and
17 the Political Reform Act of 1974 (Title 9 (commencing with
18 Section 81000)).

19 (d) The commission may delegate to staff the authority to enter
20 into contracts for services on its behalf, including interagency
21 agreements, subject to relevant state law.

22 99098. Funding for the operating costs of the commission shall
23 be available upon appropriation by the Legislature.
24

25 Article 2. Commission Staff

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27 99100. The chair of the commission, with the concurrence of
28 the commission, who appoint an executive director, who shall be
29 exempt from civil service. Salary for the executive director shall
30 be ____.

31 99101. Commission staff may be loaned from relevant agencies,
32 and the executive director shall examine ways to provide for loan
33 of staff from local government and private nonprofit organizations
34 who have relevant expertise through partnerships, subject to
35 approval and direction by the commission and the chair.

36 99105. Except as otherwise provided in this title, members of
37 the commission shall not receive a salary, and shall be entitled to
38 a per diem allowance of fifty dollars (\$50) for each day's
39 attendance at a meeting of the commission not to exceed three
40 hundred dollars (\$300) in any month, and reimbursement for

1 expenses incurred in the performance of their duties under this
2 chapter, including travel and other necessary expenses.

3
4 Article 3. Commission Duties
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6 99110. (a) The chair of the commission shall appoint the
7 members on the task force committees described in Article 4
8 (commencing with Section 99120), which shall be composed of
9 both members and nonmembers of the commission. Commission
10 members shall chair at least one task force committee in which
11 they have expertise.

12 (b) The commission shall submit its final report to the Governor
13 and Legislature no later than December 1, 2012, and shall wind
14 up 30 days after issuance of the final report. To the extent
15 necessary, the commission shall recommend a method to track the
16 state's infrastructure progress and to reassess the master plan
17 periodically.

18 (c) All commission products shall incorporate the "Governor's
19 Five Year Infrastructure Plan" and the "State Environmental Goals
20 and Policy Report" into their long-term planning recommendations.

21 (d) The commission shall have authority to call on experts to
22 assist them or the task force committees in developing the master
23 plan.

24 (e) All commission products shall incorporate opportunity for
25 public comment and participation.

26 (f) The commission shall establish a timeline for submission of
27 periodic reports on their findings to the Governor and Legislature
28 prior to issuance of the final report.
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30 Article 4. Commission Task Force Committees
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32 99120. (a) The commission shall establish working task force
33 committees that will assess, inventory, and report on the state's
34 long-term needs and financing alternatives. The task force
35 committees will include, but not limited to the following:

- 36 (1) Planning and financing.
37 (2) Transportation.
38 (3) Housing.
39 (4) Natural resources and conservation.
40 (5) Education.

1 (b) Each committee shall include the following:

2 (1) Chair of the task force, who shall be a commission member
3 with expertise in the task force's particular study area.

4 (2) Appropriate experts on the task force's particular study area,
5 who also have background experience in the following:

6 (A) Public finance.

7 (B) Working knowledge of local government.

8 (C) Working knowledge of state government.

9 (3) Representatives from the following communities:

10 (A) Labor.

11 (B) Business.

12 (C) Environmental.

13 (D) Building industry.

14 (E) Consumer organization.

15 (F) Taxpayer organization.

16 (4) Additional expert or experienced people knowledgeable
17 about the task force's particular study area as deemed necessary
18 by the chair, in consultation with the commission.

19 99121. (a) The chair of each task force committee, with the
20 concurrence of the commission, shall develop a work plan, assign
21 responsibilities and deadlines for performance, and shall convene
22 meetings of the task force committees. Task force committees shall
23 meet at least once each month.

24 (b) Task force committee members shall establish a method for
25 reaching consensus on their findings and recommendations to the
26 commission. The chair of each task force committee shall be
27 responsible of presenting the committee's final recommendations
28 to the commission.

29 (c) At the direction of the chair, the task force committees shall
30 provide analyses and commentary to the commission in a timely
31 matter for all commission products.